Introduced by: Ron Sims

Proposed No.:

96-89

ORDINANCE NO.

AN ORDINANCE relating to cable communications, authorizing the King County executive to enter a settlement agreement between King County and Tele-Vue Systems, Inc., d/b/a Viacom Cable.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

## SECTION 1. Findings of Fact:

- A. In 1995 King County ("the county") granted Tele-Vue

  Systems, Inc., doing business as Viacom Cable ("Viacom"), franchise

  11680 to provide cable television service within certain

  unincorporated areas of the county.
- B. Franchisee is a direct, wholly-owned subsidiary of Viacom International Inc. ("VII").
- C. TCI Communications, Inc. ("TCIC") and VII have entered an agreement which provides for, among other things, TCIC's purchase of all of the issued and outstanding shares of Class B common stock of VII, thereby giving TCIC indirect control of Viacom. As of the date of this ordinance, this transaction has not yet been completed.
- D. Viacom and TCIC jointly submitted to the county an application requesting that the county approve the transfer of control of franchise 11680.
- E. The county and TCI have negotiated modifications of franchise 11680 in connection with the proposed transfer of franchise 11680 from Viacom to TCIC and the renewal of certain other franchises held by TCI of Seattle, Inc., TCI of Auburn, Inc. and TCI of Southwest Washington, Inc. (collectively referred to as "TCI").
- F. Franchise 11680 requires, among other things, that Viacom dedicate 20 mhz of capacity on the subscriber network and build an institutional network for the county which the county would own.
- G. As a result of TCIC acquiring control of Viacom and the county and TCI reaching agreement on renewal of TCI's other franchises, the county has determined that it is in the county's best interest not to have 20 mhz of capacity on the subscriber network and for TCI, together with TCI Cablevision of Washington,

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Inc., to own the institutional network and for the county to lease the institutional network.

- H. The King County council has now determined that it is in the county's best interest for TCI to own the institutional network after its completion and the county to lease the institutional network.
- I. Viacom has agreed to pay the county, upon consummation of transfer of control of the Franchise to TCIC, \$1,500,000 in cash in exchange for, among other things, the settlement agreement and certain modifications to franchise 11680.

SECTION 2. The King County executive is hereby authorized to execute the proposed settlement agreement, in substantially the same form as contained in Attachment A to this ordinance ("settlement agreement").

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ı	SECTION 3. Unless within 48 hours after this ordinance is
2	signed by the King County executive, Viacom has signed the
3	settlement agreement, in substantially the same form as contained
4	in Attachment to this ordinance, approval of this settlement
5	agreement shall be null and void, and any approval shall be deemed
6	to be denied.
7	INTRODUCED AND READ for the first time this day
8	1 a f / / D a a / / A A A A A A A A A A A A A A A A
9	PASSED by a vote of 10 to 0 this 29th day of
10	January , 1996.
11	KING COUNTY COUNCIL KING COUNTY, WASHINGTON
12	h. 1/
13	Chapr Jague
14	ATTEST:
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16	Glerk of the Council
17	APPROVED this day of
18	2 of C
19	King County Executive
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21	Attachments:
22	A. Settlement Agreement by and between Tele-Vue Systems, Inc., d/b/a Viacom Cable, and King County, Washington
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